



REPLY TO  
ATTENTION OF

DEPARTMENT OF THE ARMY  
OFFICE OF THE ASSISTANT SECRETARY  
RESEARCH DEVELOPMENT AND ACQUISITION  
103 ARMY PENTAGON  
WASHINGTON DC 20310-0103

31 MAR 1999

SARD-PS

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Performance-Based Service Contracting (PBSC)  
Implementation and Performance Work Statements (PWSs)

Reference DASA(P) memorandum of December 1, 1998, addressing the Army PARC Conference and PBSC implementation.

In my referenced memorandum, I requested that each of you bring examples of your Command's PBSC lessons learned and two sample PBSC PWSs to our PARC Conference so that I could, in turn, share your valued experiences Army-wide. While I am grateful for the samples received, the overall response was less than adequate. I know we can do better.

I have enclosed a list of MACOM Performance-Based Service Contracting Points of Contact (POCs) (Enclosure 1). This list provides the names of the individual POCs, their phone numbers and e-mail addresses. This list also indicates the number of PBSC contracts awarded by the respective MACOM during fiscal year (FY) 1998. Based upon the information you provided us, the Army awarded 377 PBSC contracts during FY 98. These contracts had a total estimated value of over \$3.1 billion. Over 82 percent of these contracts and their associated dollars were awarded on a fixed-price basis. *These are significant figures. Your entire workforce should be congratulated on the effort put forth to accomplish these outstanding results.*

The intent in providing a list of MACOM POCs is manifold. It provides a list of PBSC subject matter experts who can promote the spread of performance-based contracting within your command. It also promotes cross-MACOM communication on the subject of performance-based contracting. These subject matter experts are also important in my continuing effort to develop of a library of PBSC reference material to be used by contracting organizations throughout the Army. I have included the numbers of MACOM PBSC awards for FY 98 not to compare one MACOM to another, but to identify where our critical knowledge resources reside. *These 377 PBSC contracts represent a significant resource for the Army. I propose that these contracts form the core of our PBSC reference library.*



There are a few additional notes on the numbers of contracts awarded by each MACOM. Our Army-wide PBSC reporting requirements only address service contracts with an estimated total value of \$250,000 and greater, excluding contracts for construction, A-E, utilities and RDT&E. We circumscribed our reporting requirements in order to minimize the effort involved with the data collection, while maintaining a statistically significant sample. In accordance with FAR 37.102, PBSC procedures remain applicable to all service efforts, except for construction, A-E and utilities, irrespective of dollar value. What this means is that the 377 PBSC contracts reported represent just the tip of the iceberg. This conclusion is supported by the fact that the Strategic Missile Defense Command (SMDC), which reported no PBSC contract awards using our criteria, provided us with some excellent examples of RDT&E performance-based service efforts.

In order for us to develop an Army-wide PBSC reference library, we are going to need help from you.

- a. Request that you provide us with the specific address of your MACOM PBSC web site. This should be accomplished within 30 days of the date of this memorandum.
- b. Request that you provide us with a functional classification and number of your PBSC awards for FY 98. The categorization should be in accordance with Section I (Parts A and B) of the DD 350 Procurement Coding Manual. For example: Custodial – Janitorial Services (S210). This should be accomplished within 30 days of the date of this memorandum. (See notional chart at Enclosure 2.)
- c. Request that you provide us with your command's best-in-class PBSC Performance Work Statements (PWSs). These PWSs should also be posted on your MACOM's web site and be provided to us electronically within 45 days of the date of this memorandum.
- d. Request that you post your command's remaining FY 98 PBSC PWSs on your web site within 90 days from the date of this memorandum.

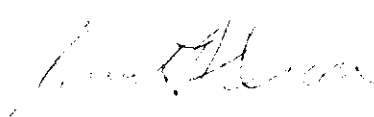
Of special interest are those PWSs, which are generic or applicable to multiple locations. There is no minimum or maximum dollar limitation on these PWSs, and RDT&E samples are encouraged. We are at the early stages in the development of our PBSC reference library. We plan to begin the

construction of the reference library with FY 98 PBSC awards and augment these efforts with new performance-based service PWSs as they become available.

A significant portion of the PBSC subject matter experts have expressed difficulty with the process of electronically submitting their quarterly PBSC usage data into the metrics data entry forms for PARCs. These forms are located on our web site at <http://www.acqnet.sarda.army.mil/acqref/armetric.htm>. Should you have any technical problems with these forms, you should contact the web master directly for assistance. The web master is Ms. Leslie Harte, (703) 205-1530, e-mail [lharte@brtrc.com](mailto:lharte@brtrc.com).

I am convinced that the development of an Army-wide PBSC reference library will prove to be a significant component in our Army contracting toolbox, allowing us to maintain our high level of customer support in a time of continued downsizing. I thank you in advance for your contributions to this critical effort.

Point of contact for this action is Robert Friedrich, SARD-PS, (703) 681-7577, fax: 681-7580, DSN 761-7580, e-mail: [friedrir@sarda.army.mil](mailto:friedrir@sarda.army.mil).



Kenneth J. Oscar  
Deputy Assistant Secretary of the Army  
(Procurement)

Enclosures

DISTRIBUTION:

PRINCIPAL ASSISTANTS RESPONSIBLE FOR CONTRACTING

Headquarters, U.S. Army Materiel Command, ATTN: AMCRDA-AC

(PARC), 5001 Eisenhower Avenue, Alexandria, VA 22333-0001

Defense Supply Service - Washington, 5200 Army Pentagon, Washington,  
D.C. 20310-5200

Headquarters Forces Command, ATTN: AFLG-PR, 1777 Hardee Avenue  
S.W., Fort McPherson, GA 30330-1062

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Third United States Army/U.S. Army Forces Central Command, 1301  
Anderson Way S.W., Fort McPherson, GA 30330-1064  
U.S. Army Medical Command, ATTN: MCAA, 2107 17<sup>th</sup> Street, Building  
4197, Suite A, Fort Sam Houston, TX 78234-5015  
U.S. Army Intelligence & Security Command, ATTN: IAPC, Fort Belvoir,  
VA 22060-5246  
U.S. Army Medical Research and Materiel Command, ATTN:  
MCMR-AAZ-A, 820 Chandler Street, Fort Detrick, MD 21702-5014  
U.S. Army Military District of Washington, ATTN: ANPC, 103 Third Avenue,  
S.W., Fort Lesley J. McNair, Washington, D.C. 20319-5058  
Military Traffic Management Command, ATTN: MTAQ, 5611 Columbia  
Pike, Falls Church, VA 22041-5050  
U.S. Army Space and Missile Defense Command, ATTN: SMDC-CM,  
P.O. Box 1500, Huntsville, AL 35807-3801  
U.S. Army Training and Doctrine Command, DCSBOS, ATTN:  
ATBO-A, Building 5, Room F306, 5 North Gate Road, Fort Monroe,  
VA 23651-5000  
U.S. Army Contracting Command, Europe, ATTN: AEAPR-PA (PARC),  
Unit 29331, APO AE 09266  
Headquarters, Eighth United States Army, ATTN: FKAQ/EAAQ, Unit  
15237, APO AP 96205-0010  
U.S. Army, Pacific, ATTN: APAM, Fort Shafter, HI 96858-5100  
U.S. Army South, ATTN: SOCS-CO, Unit 7101, APO AA 34004-5000  
U.S. Army Corps of Engineers, ATTN: CEPR-ZA, 40 Massachusetts  
Avenue, N.W., Washington, D.C. 20314-1000  
Headquarters, U.S. Army Operational Test and Evaluation Command,  
OPTEC Contracting Activity, ATTN: CSTE-CA, P.O. Box Y, Fort Hood,  
TX 76544-0770  
National Guard Bureau, ATTN: NGB-AQ, 5109 Leesburg Pike, Suite 410A,  
Falls Church, VA 22041-3201

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